

## ***USE OF RENTED VEHICLES FOR OFFICIAL BUSINESS***

### Authorities:

- Military Surface Deployment and Distribution Command U.S. Government Car Rental Agreement No. 3, effective 10/01/02
- 28 U.S.C. §§ 1346, 2401 and 2671-2680, Federal Tort Claims Act
- 41 C.F.R. 301, Federal Travel Regulation
- US Bank VISA Auto Rental Collision Damage Waiver Program, Government-issued Travel charge card

When selecting a commercially-rented vehicle, employees are required to exhaust all possibilities of rental vehicles available from carriers included under the Military Surface Deployment and Distribution Command U.S. Government Car Rental Agreement. This agreement governs the rental of cars and passenger vans by Federal employees when the government authorizes such rentals.

**The terms and conditions of this agreement take precedence over the policies and provisions of any contrary rental document the employee signs when renting a vehicle.**

In addition to the competitive rates set forth in the U.S. Government Car Rental Agreement, each participating company may charge the renter a standard mandatory Government Administrative Rate (GARS) supplement of \$5.00 per day. GARS reimburse the participating companies for those costs incurred that are peculiar to doing business with the Government. GAR is a reimbursable charge paid by each renter (employee).

**Not all car rental companies participate in the U.S. Government Car Rental Agreement and not all types of vehicles and usage are included.** Generally excluded are all sizes of trucks; cargo vehicles; utility vehicles; and vehicles operated off paved, graded, state, or professionally maintained roads. In some cases, vans are also excluded. Vehicles are not to be operated across international boundaries unless specifically authorized at the time of rental.

In order to protect themselves and the government when renting vehicles, employees should be aware of the following:

### **RENTAL OF VEHICLES UNDER THE U.S. GOVERNMENT CAR RENTAL AGREEMENT**

- a. Employee Identification. A Travel Order, Travel Authorization, or a government-issued travel charge card is evidence of an employee's official travel status when signing for the rental vehicle. When the government-issued travel charge card is used as identification of official travel status, the cost of rental will be charged to that card. Acceptance of a government credit card by the rental company is mandatory under the U.S. Government Car Rental Agreement. Precharging credit cards with the estimated amount of the rental and making adjustments when the vehicle is returned are prohibited.

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- b. Authorized Drivers. Persons authorized to operate vehicles rented under the U.S. Government Car Rental Agreement, if properly licensed, include the renter and, without additional charge, the renter's fellow employees while acting within the scope of their employment. The renter (employee) may be held personally liable for any damage that should occur while an unauthorized person drives the vehicle.
- c. Insurance and Damage Liability. Government renters (acting within the scope of employment) will not be responsible for loss or damage to the vehicle except as stated below. Personal accident insurance, personal effects coverage, or other optional coverage may be offered to the renter but is not a prerequisite for renting a vehicle.  
**The Forest Service has no authority to reimburse employees for the cost of the personal or optional coverage.**

- i. Notwithstanding the provisions of any company rental agreement executed by the government employee when renting a vehicle under the terms of the U.S. Government Car Rental Agreement, the rental company will maintain in force, at its sole cost, insurance coverage which will protect the United States Government and its employees using vehicles rented under the U.S. Government Car Rental Agreement against liability for personal injury, death, and property damage arising from the use of the vehicle. The personal injury/wrongful death limits are \$100,000 for each person for each accident or event, \$300,000 for all persons in each such accident or event, and property damage limits of \$25,000 for each such occurrence.
- ii. Loss or Damage to Vehicle. Government renters will not be responsible for loss or damage to the rental vehicle except as specified below:

*"The [rental] Company hereby assumes and shall bear the entire risk of loss of or damage to the rented vehicles (including costs of towing, administrative costs, loss of use, and replacements), from any and every cause whatsoever, including without limitation, casualty, collision, fire, upset, malicious mischief, vandalism, tire damage, falling objects, overhead damage, glass breakage, strike, civil commotion, theft and mysterious disappearance, except when the loss or damage is caused by one or more of the following:*

- 1. Obtaining the vehicle through fraud or misrepresentation, or the damage or loss is caused intentionally by an authorized driver.*
- 2. Operation of the vehicle by a driver who is under the influence of intoxicants or any prohibited drugs;*
- 3. Use of the vehicle for any illegal purpose;*

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4. *Use of the vehicle in pushing or towing another vehicle;*
  5. *Use or permitting the vehicle to carry passengers or property for hire;*
  6. *Operation of the vehicle in live artillery fire exercises, or used in training for tactical maneuvers;*
  7. *Operation of the vehicle in a test, race, or contest;*
  8. *Operation of the vehicle by a person other than an authorized driver<sup>1</sup>;*
  9. *Operation across international boundaries, unless specifically authorized at the time of rental;*
  10. *Theft of the rented vehicle and the renter cannot produce vehicle keys, unless the renter can show the keys were stolen through theft or robbery; or*
  11. *Operation of the vehicle off paved, graded, state, or professionally maintained roads, or driveways, except when the company has agreed to this in writing beforehand."*
- d. Billing for Damages. Charging the renter's credit card for damage to the rental vehicle is prohibited if the renter was on official duty and in the scope of employment at the time the damage occurred. When loss or damage is due to an exception stated above, the rental company will submit its bills directly to the renter's (employee's) agency, to the attention of the renter at the official duty address. If the government denies liability on the basis that the renter or other authorized driver was not operating the vehicle for an official purpose within the scope of employment at the time of damage or loss, the rental company may handle the matter directly with the renter.
- e. Accidents or Repairs. In the event of an accident or if repairs become necessary, the renter (employee) should immediately notify the rental company and request instructions. The renter must notify the rental company of any accident and obtain a police report for the rental company if one is reasonably available.
- f. The U.S. Government Car Rental Agreement may be accessed via the Internet at <http://www.sddc.army.mil/public/Passenger>. It may also be found on the ASC-B&F Claims Branch website at <http://fsweb.r3.fs.fed.us/asc/bfm/programs/financial-operations/claims/UsefulLinks.php>

## **RENTAL OF VEHICLES NOT COVERED BY THE U.S. GOVERNMENT CAR RENTAL AGREEMENT**

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<sup>1</sup> See section 1.b. above for information regarding authorized drivers.

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- a. If an appropriate (covered) vehicle is unavailable under the U.S. Government Car Rental Agreement, the employee should try to obtain rental vehicles through the Unit Procurement Staff. Renting a vehicle from a rental company that does not participate in the U.S. Government Car Rental Agreement should be a last resort.
- b. If an employee rents a vehicle that is not covered under the U.S. Government Car Rental Agreement, the terms of the individual rental agreement apply and are binding. The employee should read any rental agreement carefully before signing.
- c. If an employee rents a vehicle that is not covered under the U.S. Government Car Rental Agreement, they may choose to purchase optional insurance coverage such as the Loss or Collision Damage Waiver (CDW) or personal effects coverage. However, the Forest Service has no authority to reimburse the employee for the cost of the optional coverage.
- d. In most cases, if the employee rents a vehicle not covered under the U.S. Government Car Rental Agreement and does not purchase optional insurance coverage, they can be held personally liable to the car rental company for any loss or damage to the vehicle, regardless of the cause. The company may make demands for damages against the employee personally, rather than against the Forest Service. If this occurs, the employee should immediately contact the ASC-B&F Claims Branch. If the vehicle was being used for official business and the employee was in the scope of employment, the Forest Service will request substitution of the government for the employee in resolving the claim. However, if the government denies the claim, the car rental company could continue to hold the employee personally liable.

### **RENTAL OF VEHICLES USING THE GOVERNMENT-ISSUED TRAVEL CHARGE CARD**

- a. Under a General Services Administration (GSA) contract, a Bank government-issued travel charge card is supplied to approved Forest Service employees for use when on official travel. The current government-issued travel charge card is a VISA card issued by the U.S. Bank. Forest Service employees are required to use their government-issued travel charge cards to pay for all official travel expenses that will be reimbursed by the agency, except for specific charges or when the employee has an exemption (41 C.F.R. 301-51.1; 301-51.2). According to "Your Guide to Benefits Package" distributed by U.S. Bank with each government VISA Travel charge card, use of the Government VISA travel charge card to rent a vehicle includes coverage under the VISA Auto Rental Collision Damage Waiver (CDW) Program. The VISA Auto Rental CDW Program provides coverage at no additional cost for damage due to collision or theft up to the actual cash value of most rental vehicles when certain terms and conditions are met.

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- b. Despite the **VISA Auto Rental CDW Program coverage, employees should make every effort to rent from companies participating under the U.S. Government Car Rental Agreement for three reasons. First**, Federal travel regulations advise that employees must rent a vehicle from a vendor that participates in the U.S. Government program (41 C.F.R. 301-50.8(c)). One exception is for travel outside the continental United States and no agreement is in place for a temporary duty location. **Second**, the U.S. Government Car Rental Agreement provides more than just coverage in the event of loss of or damage to the rental vehicle. The U.S. Government Car Rental Agreement also provides for flat rates with unlimited mileage<sup>2</sup> and other benefits more advantageous than those that would be offered by non-participating rental companies. **Third**, unlike the VISA Auto Rental CDW Program, the U.S. Government Car Rental Agreement protects against liability for personal injury, death, or property damage to third parties. Under the VISA Auto Rental CDW Program, all losses of or damage to property other than the rental vehicle, and injuries to persons, would need to be addressed by different sources.
- c. When an entire rental transaction is charged to the government VISA travel charge card and the employee declines the rental company's collision damage waiver, the VISA Auto Rental CDW Program provides coverage for loss of or damage to the rented vehicle. However, when the government employee rents from a company participating in the U.S. Government Car Rental Agreement while using the government VISA Travel charge card, the U.S. Government Car Rental Agreement, rather than the VISA Auto Rental CDW Program, will cover loss or damage to the vehicle.
- d. If, for some reason, an employee is unable to rent a vehicle from a company participating in the U.S. Government Car Rental Agreement, the VISA Auto Rental CDW Program is of the greatest benefit. In these instances, the employee should decline the rental-company's collision damage waiver (CDW) in accordance with the Federal Travel Regulations (41 C.F.R. 301-10.451) and the terms of the VISA Auto Rental CDW Program coverage "Your Guide to Benefits Package"). In the event of loss of or damage to the rental vehicle, the VISA Auto Rental CDW Program will provide coverage up to the actual cash value of the vehicle. Claim procedures for the VISA Auto Rental CDW Program coverage are listed in each employee's VISA "Your Guide to Benefits Package."

The cardholder is responsible for immediately reporting a claim to the VISA Program Administrator at 1-800-VISA-911 (1-800-847-2911). **Claims reported later than 45 days after the date of loss will be denied.** Further information may be found at [www.visa.com/eclaims](http://www.visa.com/eclaims). **As a reminder, the VISA Auto Rental CDW Program coverage**

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<sup>2</sup> Except for one-way rentals

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**is secondary to the coverage provided under the U.S. Government Car Rental Agreement.**

- e. The VISA Auto Rental CDW Program coverage only applies to rental vehicle damage due to collision or theft. Any other damage to property or personal injury will be addressed in accordance with other authorities, such as the Federal Tort Claims Act (28 U.S.C. § 2671 et seq.) or the Federal Employees Compensation Act (5 U.S.C. § 8101 et seq.).
- f. VISA literature notes that the VISA Auto Rental CDW Program is primary coverage when the government VISA Travel charge card is used to rent a car for official business and secondary when used for personal reasons. **However, Federal employees are to use their government VISA travel charge cards for official travel only. The travel charge cards are not to be used for personal reasons.**
- g. The **VISA Auto Rental CDW Program, like the U.S. Government Car Rental Agreement, does not provide coverage for employees who suffer personal property damage or loss while renting a vehicle.** Employees who suffer property damage or loss may seek recovery under the MPCEA (31 U.S.C. § 3721). If an employee is injured while operating a rental vehicle within the scope of employment, the employee may seek compensation under the FECA.

The VISA Services and Benefits Package Guide may be accessed via the Internet at [http://usa.VISA.com/government/payment/travel\\_card/index.html](http://usa.VISA.com/government/payment/travel_card/index.html).

### **MISCELLANEOUS RENTAL VEHICLE INFORMATION**

- a. Employees are encouraged to maintain private insurance coverage, such as health and automobile insurance, and to seek recovery from these sources when appropriate. Employees should consult their policies to learn what losses and damages are covered when renting a vehicle for official purposes.
- b. Claims arising from one of the exceptions to the U.S. Government Car Rental Agreement or from rentals outside the U.S. Government Car Rental Agreement from non-participating companies may be considered under provisions of the Federal Tort Claims Act if there is indication of negligence by a government employee while operating within the scope of employment.

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***Federal employees are to use their government VISA Travel charge card for official purposes only. Although vehicle rental expenses may be charged to the government VISA travel charge card, payment for any damages to the vehicle shall not be charge to the card. DEFINITIONS***

**Administrative use** Use of a government-furnished conveyance for routine (non-emergency) point-to-point transportation of authorized passengers, as opposed to emergency support or tactical transportation of personnel and equipment in connection with a fire or such other incident.

**Advantageous to the government** Travel must be performed by the most effective means commensurate with the nature and purpose of the Forest Service business to be accomplished, taking into consideration the most beneficial use of employee time as well as the costs involved, such as overtime, lost work time, and actual transportation costs. This does not always result in the least cost method of travel.

**Conflict of Interest** Decisions made and/or actions taken by a government employee that could directly or indirectly affect the employee's personal or private economic interest, or which could convey an unfair competitive advantage to a member of the public, or in some manner embarrass the agency. An appearance of conflict carries the same weight as an actual conflict.

**Government-furnished conveyances** Modes of transportation such as automobiles, vans, trucks, vessels, and aircraft that are owned, leased, chartered, or rented by the government. This includes an employee's personal-owned vehicle when it has been authorized or approved as advantageous to the government for the performance of official travel. (Approval is not required to transport family members in a personal-owned vehicle while in travel status).

**Non-government persons** This includes all non-Federally employed persons conducting business with the Forest Service, such as State or local government personnel, contractors, private sector cooperators, grantees, permittees, prospective bidders, media representatives, volunteers, family members, and enrollees, including persons threatened with loss of life or property. Military personnel (including National Guard or Reserve) are considered non-Federal persons when they are not on active duty.

**Space available basis** Space that is available to accommodate the extra passenger(s) without incurring any appreciable additional expense or requiring a larger vehicle in excess of that needed to accomplish the agency business, and without hampering the effectiveness of the official purpose of travel.